

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1301-04
Bill No.: HCS No. 2 for HB 735
Subject: Administration, Office of; Public Buildings
Type: Original
Date: April 11, 2007

Bill Summary: This proposal changes various provisions relating to public buildings.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Capitol Improvement Budget-Various Funds	\$330,000	\$330,000	\$0
Facilities Management Revolving Fund	\$113,500	\$113,500	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$443,500	\$443,500	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In a previous response to this proposal officials at the **Facilities Management, Design and Construction (DFMDC)** assume significant savings of at least \$443,500 per year from reduction of advertising, and a reduction in overall project cost. Anticipated project cost will be reduced significantly.

Approximately 30-35 projects per year have project costs of \$25,000 to \$100,000. Under the proposed legislation, these projects would not require advertising. DFMDC standard estimate of advertising projects is \$3,000. Therefore passage of the proposed legislation would result in the following calculation: 30-35 contracts/yr x \$3000/project advertising = \$90,000-\$105,000 annual savings.

The proposed legislation would reduce advertising requirements on all projects. DFMDC could reduce our advertising to one major paper for projects within 75 miles of cities having a population of 160,000 or more. Of DFMDC's approximately 60-70 projects in a year in excess of \$100,000, it is estimated that 25% of these would be within 75 miles of St. Louis and Kansas City. The savings in advertising for these projects could be: $70 \times 25\% = 18 \times \$1,000 = \$18,000$.

DFMDC could also reduce advertising on the remaining 75% of other projects in this broad classification by not advertising in any major newspapers. This could result in advertising savings as follows: $52 \times \$2,000 = \$104,000$.

TOTAL COST SAVINGS = Advertising per year: \$195,000 - \$227,000.

TOTAL JOB ORDER CONTRACTING (JOC) SAVINGS:

Of the proposed 21-JOC's of \$1.6M, an annual savings of \$330,000 annually or \$660,000 bi-annual. (Advertising, misc. exp., RATF, contingency and design)

Officials at the **Department of Public Safety, Capitol Police, Missouri Senate, Division of Accounting** and the **Missouri House of Representatives** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
CAPITOL IMPROVEMENT BUDGET VARIOUS FUNDS			
<u>Savings</u> - CI Budget			
Reduced advertising costs	<u>\$330,000</u>	<u>\$330,000</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON CAPITOL IMPROVEMENT BUDGET VARIOUS FUNDS	<u>\$330,000</u>	<u>\$330,000</u>	<u>\$0</u>
FACILITIES MANAGEMENT REVOLVING FUND (FMRF)			
<u>Savings</u> - FMRF			
Reduced advertising costs	\$113,500	\$113,500	\$0
ESTIMATED NET EFFECT ON FMRF FUND	<u>\$113,500</u>	<u>\$113,500</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill changes the laws regarding the requirements for designing, constructing, and managing state buildings. The Second State Capitol Commission is allowed to control copyrights and trademarks for any photograph, written work, art object, or any product created of the Capitol or Capitol grounds by granting access or use of the work. Any money received must be directed to the Capitol Commission Fund to be used for repairs, refurbishment, or creation of decorations or adornments for the Capitol or its grounds. The bill renames the Division of Facilities

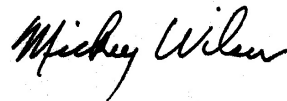
FISCAL DESCRIPTION (continued)

Management to the Division of Facilities Management, Design, and Construction and expands its responsibilities to include the supervision of any design, construction, renovation, or repair of state facilities. An open bidding process will be used for all projects in excess of \$100,000. For projects costing between \$25,000 and \$100,000, a minimum of three contractors must be solicited with the contract awarded to the lowest, responsive, responsible bidder. The commission is authorized to award multiple projects to a single firm if it is in the best interest of the state.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
 Capitol Police
Missouri Senate
Office of Administration
 Division of Accounting
 Facilities Management, Design and Construction
Missouri House of Representatives



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Director
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